

**RULES GOVERNING THE ISSUANCE  
OF COST CONTAINMENT CERTIFICATES  
UNDER THE WORKERS' COMPENSATION ACT  
TITLE 8, ARTICLE 14.5**

**PART I**

**A. STATEMENT OF BASIS AND PURPOSE**

1. These rules are amended by the Workers' Compensation Cost Containment Board of the Division of Workers' Compensation under authority pursuant to C.R.S. 8-14.5-105(1)(h). The Amendment extends the second certification renewal period from one year to three years.
2. The amendment to these rules follows a public hearing held in accordance with C.R.S. Section 24-4-103, to codify procedures and conform to existing legislation.

**PART II  
DEFINITIONS**

"Approved Program" means a cost containment or risk management program which includes all of the elements listed in Part III A.2. a. through g.

"Board" means the Workers' Compensation Cost Containment Board established pursuant to 8-14.5-104, C.R.S.

"Cost Containment Certification" under § 8-14.5-107, C.R.S. (1991), requires a cost containment or risk management program which has been in place for one (1) year, conforms to the specific standards of an approved program, and is certified by the Board.

"Division" means the Division of Workers' Compensation in the Department of Labor and Employment.

"Initial Renewal" means extending a year old certificate for twelve months.

"Second Renewal" means extending an initial renewal FOR thirty-six months.

**PART III**  
**APPLICATION PROCESS AND CERTIFICATION REQUIREMENTS**

**A. PROGRAM EVALUATION AND CERTIFICATION**

1. An employer seeking certified status pursuant to 8-14.5-107 must furnish to the Board affirmative verification that all requirements of the approved program have been, or will have been, in force for at least one year at the time of certification. In order for a certificate to be issued to the employer the application for certification, as well as further information the Board may require as described in Section A.3., must be received in the offices of the Board on or before the 20th day of the month prior to the next Board meeting.
2. In evaluating the application for certification the Board shall consider the following specifications plus loss history:
  - a. Formal declaration of a company-wide loss prevention and loss control policy including designation of a representative responsible for overseeing the policy.
  - b. Formal creation of a risk assessment/incident review committee or coordinator.
  - c. Clearly defined and conspicuously posted loss prevention rules.
  - d. All employees undergo periodic hazard awareness and loss prevention training.
  - e. A cost containment program in cooperation with a designated medical provider which has knowledge of work injuries, fee schedules, employers operations, is decisive on medical-maximum-improvement determinations, and communicates with the employer.
  - f. A safety manual and written policies or procedures on claims management.
  - g. A copy of the insurance carrier's loss report for the first year of this program together with the total number of people employed during that year, and copies of the loss reports for the two years prior to implementation of this program with the total number of people employed during those years.
3. In consideration of the applicant's loss and payroll information, the Board may require further information from those employers showing a poor or deteriorating

history of accidents and costs, and may hold in abeyance the decision of granting or renewal of cost containment certification status until such time as the applicant employer has responded. Upon receipt of the applicant's response, the application and the response will then be considered at the next regularly scheduled Board meeting, whereupon the Board may decide by majority vote to approve or deny certification. The Board reserves the right to direct on-site employer inspections to verify compliance.

4. Cost containment certification shall remain in force for an initial certification period of one year, an initial renewal period of one year, and upon second renewal for a period of three years unless revoked by the Board, or canceled, by the request of the employer or by ownership transfer. Subsequent thirty-six month renewal periods will be determined by the board.

#### **PART IV RENEWAL REQUIREMENTS**

In the cost containment renewal process, compliance with the seven requirements for certification as set forth in Part III must be affirmed by the Board, with loss records for the last certification or renewal period being presented for consideration as part of that compliance. A signed affidavit by an officer of the employer stating that all of the program requirements remain in force may be considered by the Board in lieu of a new submission of program materials. In order to process the renewal in a timely manner, the Request for Recertification must be submitted 30 days prior to the expiration of the Cost Containment certificate.

#### **PART V DENIAL OF CERTIFICATION**

If an employer or other entity is denied cost containment certification or recertification, they may appeal, in writing, to the Board within 30 days of the date of denial by the Board. The appeal will be reviewed at the next regularly scheduled Board meeting, whereupon the Board may decide by majority vote to approve or deny certification. If denied by the Board on appeal, the employer must meet the requirements in Part III of these rules before re-applying for certification. Under C.R.S. 24-4-106, the appeal decision by the Board is final agency action.

**PART VI  
TRANSFER OF OWNERSHIP**

When there is an ownership transfer of a certified employer which necessitates a change in workers' compensation coverage to a new policy holder, who does not have cost containment certification, certification status is not transferable. The new policy holder may, however, apply for certification immediately upon ownership transfer.

**PART VII  
CERTIFICATION REVOCATION**

The Board, by majority vote, may revoke an employer's certification at any time for good cause. Upon revocation, the Division will notify the employer and the employer's workers' compensation carrier forthwith. Revocation may be appealed in writing to the Board within 30 days of the date of revocation by the Board. The appeal will be considered at the next regularly scheduled Board meeting, whereupon the Board may decide by majority vote whether to uphold the revocation. If the revocation is upheld by the Board on appeal, the employer must meet the requirements in Part III of these rules before re-applying for certification.